

## Message Text

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ACTION PM-04

INFO OCT-01 NEA-10 ISO-00 NSC-05 SP-02 SS-15 L-03 CIAE-00  
INR-07 NSAE-00 AID-05 IGA-02 MC-02 ACDA-10 OMB-01  
TRSE-00 H-02 /069 W  
-----071049Z 052867 /17

R 070708Z MAR 77  
FM AMEMBASSY KUWAIT  
TO DSJ JFMO LOWERY AFB CO

INFO SECDEF WASHDC//ISA(SA)/DSAA//ASD//  
SECSTATE WASHDC 7429  
SECTREASURY WASHDC  
USCINCEUR//ECJ4/7-SAME//  
DSAA JFMO DENVER CO  
CSO WAS ZC  
CNO WASHDC  
JCS WASHDC  
AFAFC DENVER CO//ESAC//

UNCLAS KUWAIT 1202

E.O. 11652: N/A  
TAGS: MASS, KU  
SUBJECT: FMS PAYMENT REQUIREMENTS

REF: (A) JFMO LOWERY 282130Z FEB 77  
(B) ARMY, NAVY AND AIR FORCE BILLING STATEMENTS FOR DEC 76  
(SEE PARA 3A)

1. REFTEL (A) REPORTED ON DELINQUENCY AS IN PAYMENT OF FMS  
BILLS AND INDICATED THAT, AS OF 22FEB77, NET PAYMENT REQUIRED  
OF JEWAIT WAS US\$33,425,103.51.

2. EMBASSY RECOGNIZES IMPORTANCE OF PROMPT PAYMENT OF HOST  
COUNTRY FMS BILLS. ALTHOUGH, ON OCCASION IN  
THE PAST, GOK HAS PROVIDED PARTIAL PAYMENT OF SOME FMS BILLS, ITS  
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GENERAL PAYMENT SCHEDULE APPEARS TO BE GOOD WITH PAYMENTS  
BEING PROCESSED WITHIN REASONABLE TIMEFRAMES, TAKING INTO  
ACCOUNT NORMAL BUREAUCRATIC DELAYS FROM WHICH USG ITSELF IS  
NOT IMMUNE.

3. REVIEW OF OUTSTANDING PAYMENTS REVEALS THE FOLLOWING:

A. SERVICE BILLING RECEIVED EMBASSY:

SVC/ BILL NR/	AS OF DATE/	SVC TOT AMT/	DATE RECD
EMBASSY			
ARMY/-5-12-(U,V,3,4,5,-)BKU	31 DEC 76	22,400,468.19	24 FEB77
AIR FORCE 76-12	31 DEC 76	2,057,369.72	26 FEB 77
AUG/SPE/OCT/NOV		1,139,679.76	8 FEB 77
NAVY 76-T/A4	31 DEC 76	69,718,314.12	3FEB77
DTOTAL: US\$ 95,315,831.78			

B. PAYMENTS RECEIVED BY THE EMBASSY FOR BILLING AS WELL AS DOR INITIAL FMS CASE PAYMENTS SINCE 01JAN77 TOTAL \$6,083,586.26 INCLUDING PAYMENTS FOR RETROACTIVE BILLING WITH THE USAF FOR 393,126.

C. PAYMENT FOR NAVY BILLING OF \$54,964,702.18 WAS RECEIVED BY THE EMBASSY ON 21DEC76. IT IS NOTED THAT, ALTHOUGH THIS AMOUNT WAS REPORTED TO CONGRESS AS A DELINQUENCY, PREVIOUS MESSAGE TRAFFIC INDICATES THAT THIS AMOUNT WAS NOT A DELINQUENCY BY THE GOK, BUT CAUSES AS A RESULT OF A DELAYED USG BILLING PROCEDURES (AS INDICATED BY TIMEFRAMES STATED REF B AND PARA 3A ABOVE). AMBASSADOR CONSIDERS THAT SUCH ACTIONS, IF THEY COME TO ATTENTION OF GOK, HAVE POTENTIAL FOR RAISING IRRITANTS IN US-KUWAIT RELATIONSHIP AS WELL AS GIVING FALSE IMPRESSION OF GOK DELINQUENCIES TO CONGRESS.

D. IT IS ASSUMED THAT THE DIFFERENCE BETWEEN THE AMOUNT UNCLASSIFIED

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REQUIRING PAYMENT (A THROUGH C ABOVE) AND THAT INDICATED REFTEL (A) OF APPROXIMATELY \$800,000 IS THE RESULT OF PROCESSING TIME REQUIRED TO ENTER INITIAL PAYMENTS FOR NEW CASES, ETC.

E. IT IS NOTED THAT APPLICABLE BILLING STATEMENTS WITH "AS OF DATES OF 31DEC76 (PARA 2A - REF B) REQUIRE PAYMENT BY 01MAR77. MOREOVER, IT SHOULD BE RECALLED THAT ONE-WAY MAILING TO KUWAIT REQUIRES 2 TO 3 WEEKS.

3. AS IS STATED IN PARA 3A, THE GOK HAS HAD THE BILLING STATEMENT FOR WHICH PAYMENT IS REQUESTED IMMEDIATELY RA(REFTEL (A) ) FOR ONE TO THREE WEEKS.

4. IN THE PAST, EMBASSY HAS RECEIVED PAYMENTS FROM THE GOK WITHIN TWO WEEKS TO ONE MONTH AFTER PRESENTATION OF APPLICABLE BILLING STATEMENTS. THE GOK MAY OCCASIONALLY REQUEST ADDITIONAL INFORMATION ON BILLING PRIOR TO PAYMENT AND/OR DELAY PAYMENT PENDING APPROPRIATE REPLIES. THESE

ACTIONS AS WELL AS THE ASSOCIATED PAYMENT TIMEFRAME ARE NOT  
CONSIDERED UNREASONABLE.

5. USLOK WILL CONTINUE TO MONITOR FMS BILL PAYMENTS AND  
WILL SEEK TO EXPEDITE ANY PAYMENTS IN WHICH THERE  
APPEARS TO BE AN INORDINATE DELAY. USLOK ACTION WILL BE  
CONFINED TO INQUIRIES INTO SUCH CASES. ANY INDICATION OF  
POTENTIAL CONSEQUENCES SUCH AS OUTLINE IN PARA 3 REFTEL  
(A) WILL BE MADE ONLY UPON PROPER INSTRUCTION PROVIDED BY  
A JOINT STATE-DEFENSE MESSAGE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCIAL PROGRAMS, MILITARY SALES  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Approved on Date:**  
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**Office:** ACTION PM  
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**Status:** NATIVE  
**Subject:** FMS PAYMENT REQUIREMENTS  
**TAGS:** MASS, KU  
**To:** DSJ JFMO LOWERY AFB CO  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/875581bc-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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